

REFERENCE TITLE: AHCCCS; covered services

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

HB 2149

Introduced by
Representative Quelland

AN ACT

AMENDING SECTION 36-2907, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA
HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 36-2907, Arizona Revised Statutes, is amended to
3 read:

4 36-2907. Covered health and medical services: modifications:
5 related delivery of service requirements

6 A. Unless modified pursuant to this section, contractors shall provide
7 the following medically necessary health and medical services:

8 1. Inpatient hospital services that are ordinarily furnished by a
9 hospital for the care and treatment of inpatients and that are provided under
10 the direction of a physician or a primary care practitioner. For the
11 purposes of this section, inpatient hospital services excludes services in an
12 institution for tuberculosis or mental diseases unless authorized under an
13 approved section 1115 waiver.

14 2. Outpatient health services that are ordinarily provided in
15 hospitals, clinics, offices and other health care facilities by licensed
16 health care providers. Outpatient health services include services provided
17 by or under the direction of a physician or a primary care practitioner but
18 do not include occupational therapy, or speech therapy for eligible persons
19 who are twenty-one years of age or older.

20 3. Other laboratory and x-ray services ordered by a physician or a
21 primary care practitioner.

22 4. Medications that are ordered on prescription by a physician or a
23 dentist licensed pursuant to title 32, chapter 11. Beginning January 1,
24 2006, persons who are dually eligible for title XVIII and title XIX services
25 must obtain available medications through a medicare licensed or certified
26 medicare advantage prescription drug plan, a medicare prescription drug plan
27 or any other entity authorized by medicare to provide a medicare part D
28 prescription drug benefit.

29 5. Emergency dental care and extractions for persons who are at least
30 twenty-one years of age.

31 6. Medical supplies, equipment and prosthetic devices, not including
32 hearing aids, ordered by a physician or a primary care practitioner or
33 dentures ordered by a dentist licensed pursuant to title 32, chapter 11.
34 Suppliers of durable medical equipment shall provide the administration with
35 complete information about the identity of each person who has an ownership
36 or controlling interest in their business and shall comply with federal
37 bonding requirements in a manner prescribed by the administration.

38 7. For persons who are at least twenty-one years of age, treatment of
39 medical conditions of the eye excluding eye examinations for prescriptive
40 lenses and the provision of prescriptive lenses.

41 8. Early and periodic health screening and diagnostic services as
42 required by section 1905(r) of title XIX of the social security act for
43 members who are under twenty-one years of age.

44 9. Family planning services that do not include abortion or abortion
45 counseling. If a contractor elects not to provide family planning services,

1 this election does not disqualify the contractor from delivering all other
2 covered health and medical services under this chapter. In that event, the
3 administration may contract directly with another contractor, including an
4 outpatient surgical center or a noncontracting provider, to deliver family
5 planning services to a member who is enrolled with the contractor that elects
6 not to provide family planning services.

7 10. Podiatry services performed by a podiatrist licensed pursuant to
8 title 32, chapter 7 and ordered by a primary care physician or primary care
9 practitioner.

10 11. Nonexperimental transplants approved for title XIX reimbursement.

11 12. Ambulance and nonambulance transportation.

12 13. SERVICES OFFERED TO A PREGNANT WOMAN BY A MIDWIFE WHO IS LICENSED
13 PURSUANT TO CHAPTER 6, ARTICLE 7 OF THIS TITLE OR BY A NURSE MIDWIFE WHO IS
14 CERTIFIED PURSUANT TO TITLE 32, CHAPTER 15.

15 B. Beginning on October 1, 2002, circumcision of newborn males is not
16 a covered health and medical service.

17 C. The system shall pay noncontracting providers only for health and
18 medical services as prescribed in subsection A of this section and as
19 prescribed by rule.

20 D. The director shall adopt rules necessary to limit, to the extent
21 possible, the scope, duration and amount of services, including maximum
22 limitations for inpatient services that are consistent with federal
23 regulations under title XIX of the social security act (P.L. 89-97; 79 Stat.
24 344; 42 United States Code section 1396 (1980)). To the extent possible and
25 practicable, these rules shall provide for the prior approval of medically
26 necessary services provided pursuant to this chapter.

27 E. The director shall make available home health services in lieu of
28 hospitalization pursuant to contracts awarded under this article. For the
29 purposes of this subsection, "home health services" means the provision of
30 nursing services, home health aide services or medical supplies, equipment
31 and appliances, which are provided on a part-time or intermittent basis by a
32 licensed home health agency within a member's residence based on the orders
33 of a physician or a primary care practitioner. Home health agencies shall
34 comply with the federal bonding requirements in a manner prescribed by the
35 administration.

36 F. The director shall adopt rules for the coverage of behavioral
37 health services for persons who are eligible under section 36-2901, paragraph
38 6, subdivision (a). The administration shall contract with the department of
39 health services for the delivery of all medically necessary behavioral health
40 services to persons who are eligible under rules adopted pursuant to this
41 subsection. The division of behavioral health in the department of health
42 services shall establish a diagnostic and evaluation program to which other
43 state agencies shall refer children who are not already enrolled pursuant to
44 this chapter and who may be in need of behavioral health services. In
45 addition to an evaluation, the division of behavioral health shall also

1 identify children who may be eligible under section 36-2901, paragraph 6,
2 subdivision (a) or section 36-2931, paragraph 5 and shall refer the children
3 to the appropriate agency responsible for making the final eligibility
4 determination.

5 G. The director shall adopt rules for the provision of transportation
6 services and rules providing for copayment by members for transportation for
7 other than emergency purposes. Prior authorization is not required for
8 medically necessary ambulance transportation services rendered to members or
9 eligible persons initiated by dialing telephone number 911 or other
10 designated emergency response systems.

11 H. The director may adopt rules to allow the administration, at the
12 director's discretion, to use a second opinion procedure under which surgery
13 may not be eligible for coverage pursuant to this chapter without
14 documentation as to need by at least two physicians or primary care
15 practitioners.

16 I. If the director does not receive bids within the amounts budgeted
17 or if at any time the amount remaining in the Arizona health care cost
18 containment system fund is insufficient to pay for full contract services for
19 the remainder of the contract term, the administration, on notification to
20 system contractors at least thirty days in advance, may modify the list of
21 services required under subsection A of this section for persons defined as
22 eligible other than those persons defined pursuant to section 36-2901,
23 paragraph 6, subdivision (a). The director may also suspend services or may
24 limit categories of expense for services defined as optional pursuant to
25 title XIX of the social security act (P.L. 89-97; 79 Stat. 344; 42 United
26 States Code section 1396 (1980)) for persons defined pursuant to section
27 36-2901, paragraph 6, subdivision (a). ~~Such~~ THESE reductions or suspensions
28 do not apply to the continuity of care for persons already receiving these
29 services.

30 J. Additional, reduced or modified hospitalization and medical care
31 benefits may be provided under the system to enrolled members who are
32 eligible pursuant to section 36-2901, paragraph 6, subdivision (b), (c), (d)
33 or (e).

34 K. All health and medical services provided under this article shall
35 be provided in the geographic service area of the member, except:

36 1. Emergency services and specialty services provided pursuant to
37 section 36-2908.

38 2. That the director may permit the delivery of health and medical
39 services in other than the geographic service area in this state or in an
40 adjoining state if the director determines that medical practice patterns
41 justify the delivery of services or a net reduction in transportation costs
42 can reasonably be expected. Notwithstanding the definition of physician as
43 prescribed in section 36-2901, if services are procured from a physician or
44 primary care practitioner in an adjoining state, the physician or primary
45 care practitioner shall be licensed to practice in that state pursuant to

1 licensing statutes in that state similar to title 32, chapter 13, 15, 17 or
2 25 and shall complete a provider agreement for this state.

3 L. Covered outpatient services shall be subcontracted by a primary
4 care physician or primary care practitioner to other licensed health care
5 providers to the extent practicable for purposes including, but not limited
6 to, making health care services available to underserved areas, reducing
7 costs of providing medical care and reducing transportation costs.

8 M. The director shall adopt rules that prescribe the coordination of
9 medical care for persons who are eligible for system services. The rules
10 shall include provisions for the transfer of patients, the transfer of
11 medical records and the initiation of medical care.